

15J - PENSION OBLIGATION BONDS DEBT SERVICE

Operational Summary

Description:

This fund is used to record the debt service payments on the County's Pension Obligation Bonds: Series 1994A, Refunding Series 1996A and Refunding Series 1997A. These bonds are a General Fund obligation.

On October 20, 1999 the Board of Supervisors directed the CEO to proceed with actions necessary to eliminate this debt obligation. On March 31, 2000 and June 11, 2000, the County purchased through a tender offer 45% of the outstanding bonds, about \$288.3 million, and then cancelled them. The cost of the purchase was about \$179.0 million.

The remaining Pension Obligation Bonds with a par value of \$350,823,000, were successfully prepaid through an economic defeasance on June 22, 2000. Available funds, including the FY 1999-00 Tobacco Settlement Revenue allocation to the County, were irrevocably pledged for payment, in full, of the bonds and invested in AAA rated debt securities issued by the Federal Home Loan Bank, Federal National Mortgage Association (FNMA). The FNMA securities, along with cash on hand, will be sufficient to pay principal and interest on the bonds when due and payable.

The FY 2006-2007 budget for this fund contains appropriations to record the debt service payments made by the bond trustee from the defeasance escrow fund. There is no "out-of-pocket" payment required from the County.

At a Glance:

Total FY 2005-2006 Actual Expenditure + Encumbrance:	22,708,859
Total Final FY 2006-2007	15,331,274
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- To record debt service payments made by the trustee on the defeased Pension Obligation Bonds.

Budget Summary

Final Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual Exp/Rev	Budget As of 6/30/06	Actual Exp/Rev ⁽¹⁾ As of 6/30/06	Final Budget	Actual Amount	Percent
Total Revenues	19,017,855	25,454,725	21,963,200	15,331,274	(6,631,926)	-30.20
Total Requirements	18,903,540	25,454,725	22,708,859	15,331,274	(7,377,585)	-32.49
Balance	114,315	0	(745,659)	0	745,659	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2005-06 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Pension Obligation Bonds Debt Service in the Appendix on page A183

15J - Pension Obligation Bonds Debt Service

Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2004-2005		FY 2005-2006		FY 2005-2006		FY 2006-2007		Change from FY 2005-2006	
	Actual Exp/Rev		Budget As of 6/30/06		Actual Exp/Rev ⁽¹⁾ As of 6/30/06		Final Budget		Actual Amount Percent	
Revenue from Use of Money and Property	\$	3,288,875	\$	9,365,134	\$	9,456,433	\$	8,205,523	\$	(1,250,910) -13.23%
Other Financing Sources		7,768,929		7,001,165		3,418,341		0		(3,418,341) -100.00
Total FBA		7,960,051		114,315		114,315		286,607		172,292 150.72
Reserves		0		8,974,111		8,974,111		6,839,144		(2,134,967) -23.79
Total Revenues		19,017,855		25,454,725		21,963,200		15,331,274		(6,631,926) -30.20
Services & Supplies		51,479		129,278		42,711		60,000		17,289 40.48
Other Charges		8,173,660		17,325,447		17,325,446		14,865,274		(2,460,172) -14.20
Other Financing Uses		9,152,661		8,000,000		5,340,702		406,000		(4,934,702) -92.40
Reserves		1,525,741		0		0		0		0 0.00
Total Requirements		18,903,540		25,454,725		22,708,859		15,331,274		(7,377,585) -32.49
Balance	\$	114,315	\$	0	\$	(745,659)	\$	0	\$	745,659 -100.00%

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2005-06 Actual Expenditure + Encumbrance included in the "At a Glance" section.